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COUNTRY Chile

Unrest Among the Army and Police in Chile

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SUPPLEMENT  
REPORT NO.

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1. There were various unfounded rumors about revolutionary activities in Chile during mid-August 1948. The police issued an official statement branding as false the rumor which implicated Senator Alfredo Duhalde in a conspiracy against the Government. On 28 August the Falange Nacional received a telegram from San Luis, Argentina, inquiring whether the rumor that President Gabriel Gonzalez Videla was no longer in power had any foundation. La Moneda and the Bureau of Investigations received anonymous telephone calls on the same day stating that the Maturana Regiment and some units from the Canton Province were marching on La Moneda. Although the Bureau of Investigations was mobilized, the report proved to be unfounded.

Activities of Jaime Larrain and the Partido Agrario Laborista (PAL)

2. During the latter half of August the PAL closed its annual convention with several meetings. Various retired military men were present at the meetings. Ramon Vergara Montero, former mayor of Santiago and former Commander of the Air Force, who is running for deputy in Santiago, was among them. Jaime Larrain made a speech at one of the meetings which in reality was an appeal to the Armed Forces asking them to participate in politics. Alfonso Quintana Burgos, Minister of the Interior, who had been advised of a conspiracy to remove him from office and replace him with Vice-Admiral Holger, called this conspiracy to the attention of Larrain, Carlos Ibanez del Campo, a PAL member, Julio von Mullenbrock Lira, General Secretary of the PAL, and the Party headquarters. Five days later, however, Quintana Burgos resigned from the Cabinet and Larrain and his friends sent a declaration of loyalty to Holger, in which they said that they "now could have faith in the Government". This public declaration made it evident that Larrain and his group had participated in activities intended to provoke a disturbance within the Government, which would cause the resignation of Burgos and the recall of Holger.

Activities of Conrado Rios Gallardo and Carlos Ibanez del Campo

3. Rios Gallardo continued to conspire, hold meetings, and put out feelers among his friends in the military clique which was formerly close to Ibanez. Comment. These individuals have organized conspiracies against every Government in Chile since August 1940, when they tried to overthrow Pedro Aguirre Cerda.) Rios Gallardo, Jorge Berguño Meneses, Ibanez, Ariosto Herrera, Vergara, and others participated in these meetings. Miguel Serrano, writer

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and author of La Antartida and Other Myths and articles entitled "Social Christians and Free Masons", was also a member of the group. President Gabriel Gonzalez Videla, who had met Serrano on a trip to the Antarctic, read one of the articles and congratulated the author on it. The congratulations affected Serrano so much that he withdrew from the conspiracy and informed the President about the plot. Gonzalez Videla, who was well acquainted with the plotters, decided to take immediate action. He called Rios Gallardo on the telephone and cautioned him against continuing his activities. The President then ordered the Bureau of Investigations to keep a close watch on Rios Gallardo, Ibanez, Herrera, Vergara, and Larrain, asking that an especially close watch be kept on Berguno Meneses because of his frequent trips to Buenos Aires, Argentina. 25X1A  
~~Comment~~. This plot can be considered abandoned, but it is interesting to note that Rios Gallardo has participated in at least twenty plots during his lifetime, none of which has been successful.)

4. During a convention in October, Rios Gallardo stated that a great deal of unrest existed within the ranks of the Army because so many have been employed as servants and policemen. He added that they were also dissatisfied with their role of controlling the Communists, since they felt that it was not their job, but that of the police. The removal of General Jorge Carmona from the High Command had also provoked discontent, according to Rios Gallardo.

Activities of Eduardo Maldonado and the Police

5. The police lieutenants are discontented because a majority of their superior officers do not retire. This is caused by the fact that the Government has had to retain trusted individuals, who thus remain in positions which would normally be filled by lower ranking officers. Retired General Eduardo Maldonado, a member of the Liberal Party and alderman of the Municipality of Providencia, was aware of the dissatisfaction. Maldonado is well thought of by the police, who have little affection for General Reynaldo Espinosa, the present Director General of Police. Maldonado was named Ambassador to Paraguay because the Government felt that he might cause trouble. With his departure, the police lost an able political advisor.
6. Rafael Montero, First Lieutenant and Sub-Commissar in the Third Commissariat of Santiago, has stated that the lieutenants are asking for a raise in salary or at least an increase in the number of higher ranking officers, because at present the grades are frozen and salaries do not even cover the cost of uniforms. He added that press support would assist in calling the attention of the Government to their problems as well as to those of the military. He emphasized that while the police would not make any specific requests of the press, they had reminded the Minister of Interior of their existence. Montero claimed that the Government did not recognize their problems, in spite of the fact that the police are always in danger and that many have lost their lives. He also cited the fact that no provision was made for the families of policemen who lost their lives on duty.

General Jorge Carmona and Army Officers

7. Retired General Carmona, former Chief of Staff who was retired because of his political activities, was also believed to be involved in a plot. He wields considerable influence among Army officers and, according to the Director of Servicios General Quesada Calvo, he has held many meetings at the Club Militar. 25X1X  
~~Comment~~. ~~Quesada Calvo~~ is another individual who has a great deal of influence among Army officers. This is illustrated by the fact that when he was only a lieutenant colonel, he was named President of the Club Militar.) General Carmona's connection

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with the plot has not been proved, and the Government's suspicion is based on the enmity which has existed between Horacio Arancibia Lazo and the General. Their unfriendliness started during a series of incidents which ended with the detention of Sonia Kepan and Josefina Castro Huidobro, who were accused of being Soviet agents while working for the General Staff.

#### Situation within the Armed Forces

8. The Army is still discontented over its pay scale, but the promise of bonuses has tended to appease the ranks. The Navy has declared that it will not participate in any activity against the Government, and its loyalty is considered to be stable.

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#### Activities of the Accion Chileno Argentina (cf. [REDACTED])

- 25X1A 9. The Accion Chileno Argentina, formerly known as the Union Chileno Argentina, was organized by Rios Gallardo. Its directors include Fernando Undurraga Prat, Carlos Ibanez del Campo, and Heriberto Bizana, in addition to those mentioned in [REDACTED]. The activities of the organization have over-stepped the limits of cultural topics and have assumed a political significance because many of its directors have been active in plots against the Government.
10. The Argentine Embassy originally supported the Accion, but has been gradually withdrawing its support and has not provided the Accion with the financial assistance originally offered. Miguel Angel Guezales, a member of the Argentine Embassy, has stated that the Embassy does not wish to support the Accion strongly because Rios Gallardo has only a selfish interest in it. [REDACTED] Comment. 25X1A  
Rios Gallardo is apparently attempting to use his connection with the Accion as a stepping stone towards an appointment as Chilean Ambassador to Argentina, if that post should become vacant.) However, the Embassy has not disassociated itself completely as is illustrated by the fact that prizes donated by President Juan Francisco Peron of Argentina were distributed by the Accion to various individuals who had entered a contest on "Geo-political integration of Chile and Argentina".

#### Communist Reaction to the Unrest

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11. The Communists have been following the unrest in the Army closely, and have made frequent attempts to win favor with the military, simultaneously fostering the existing jealousy between the Army and the police. [REDACTED] Comment. The whereabouts of retired General Osvaldo Valencia, who is an important member of the Communist Party of Chile, is a mystery which has aroused considerable speculation.)

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[REDACTED] Comment. Two other [REDACTED] contradictory reports concerning the gravity of the situation, although they have confirmed in general the above information. One [REDACTED] believes that the dissatisfaction of the Army and the police presents a very potential danger, and that although the Government will be able to rely on the support of some Army regiments and the Navy, it will not have the support of the police. The other [REDACTED] is of the opinion that the bonuses and proposed salary increases will eliminate the unrest.)

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